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ABSTRACT

This publication outlines the issues in the areas of education and employment that the General Accounting Office plans to investigate and the focus of the planned work for Fiscal Years 1997-99. The principal issues to be investigated are the following: (1) using federal resources to support and encourage state and local efforts to provide education programs that will enable all youths to obtain skilled jobs and become informed citizens; (2) ensuring that eligible students have access to quality higher education while encouraging cost-containment for education programs and protection of federal education funds from fraud and abuse; (3) helping persons to acquire the skills needed to become productively employed and helping employers locate qualified job candidates; and (4) improving protection for workers while reducing the burden for employers in complying with workplace regulations. Descriptions of planned work and objectives for the work on each of these issues are listed in table format. (KC)

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United States General Accounting Office

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May 1997

Education and Employment Issues

Issue Area Plan for Fiscal Year 1997-99

ED 411 423

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Foreword

As the investigative arm of the Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards for objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help the Congress target budget reductions; assess financial and information management; and alert the Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own databases when information is unavailable elsewhere.

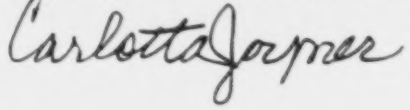
To ensure that GAO's resources are directed toward the most important issues facing the Congress, each of GAO's 32 issue areas develops a strategic plan that describes the significance of the issues it addresses, its objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject-matter experts in developing its strategic plan.

The work of the Education and Employment issue area focuses on the education provided in early childhood and elementary and secondary education programs, youths' and adults' access to higher education and employment training, employers' efforts to locate qualified job candidates, and the quality of the nation's workplaces. The principal issues are

- using federal resources to support and encourage state and local efforts to provide education programs that will enable all youths to obtain skilled jobs and become informed citizens;
- ensuring that eligible students have access to quality higher education while encouraging cost-containment for education programs and protection of federal education funds from fraud and abuse;
- helping individuals acquire the skills needed to become productively employed and helping employers locate qualified job candidates; and
- improving protection for workers while reducing the burden for employers in complying with workplace regulations.

In the pages that follow, we describe our key planned work on these important issues.

Because events may significantly affect even the best of plans, our planning process allows for updating and has the flexibility to respond quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-7014.



Carlotta C. Joyner
Director, Education and
Employment Issues

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Table I: Key Issues

Issue	Significance
Preparatory education: Is the federal government using its education resources effectively to support and encourage state and local efforts to provide education programs that will enable all youths to obtain skilled jobs in the economy of the 21st century and to become informed citizens?	In school year 1996-97, the nation will spend over $300 billion on elementary and secondary education. Although the federal contribution is only about 7 percent of this amount, the federal spending leverages much of the state and local spending. Total spending is up, but per-pupil spending has leveled off since 1989. At the same time, the proportion of poor school-aged children has steadily increased. The administration has made education its highest priority issue. The Congress also is now supporting an increased federal role in quality education initiatives. This interest responds to significant public concern about the quality of American education.
Higher education: How can the federal government's goal of ensuring that eligible students have access to quality higher education be met while encouraging cost-containment and preventing fraud and abuse with respect to federal resources?	The Department of Education is concurrently operating the direct and guaranteed student loan programs. It faces the challenge of efficiently and effectively managing both programs along with other student aid programs. We have identified the student aid programs as a high-risk area because the programs' structure and weaknesses in departmental management place millions of dollars in student aid funds at risk for abuse and mismanagement. Also, the demand for federal financial aid resources has grown as increased tuition at both public and private schools has placed a greater financial burden on students and their families. Between 1980 and 1995, the cost to attend a 4-year public college or university rose by 234 percent, nearly three times the 82-percent increase in the median household income.

Table I: Key Issues

Objectives	Focus of work
1.Assess how well federal, state, and local management practices contribute to the effective use of federal education funds. 2.Identify ways various federal education funding formulas and state school finance systems could better target resources to special-needs students. 3.Identify ways to encourage effective use of classroom technology that supports the achievement of high academic standards for all students. 4.Identify and describe issues associated with various methods for achieving equity in financing and providing elementary and secondary education services consistent with federal goals. 5.Identify ways to consolidate overlapping programs, functions, and units to eliminate duplication and unnecessary costs.	•Management practices and internal controls of federal education programs •Education achievement and accountability •Targeting in federal and state school funding formulas •Technology needs of educational institutions •Alternative school management and parental choice options, such as charter schools •Promising public/private partnerships in the delivery of education services •Consolidation of federal education programs serving children and youths
1.Identify ways the government can more effectively deliver student financial aid. 2.Evaluate the adequacy of the government's processes for determining schools' eligibility to participate in federal student financial aid programs. 3.Assess how financial and management information systems can better support student aid programs and minimize potential abuse and mismanagement. 4.Assist the Congress in identifying ways to minimize the cost of college to students while ensuring needy students access to appropriate postsecondary education. 5.Provide information and analytical support to the 105th Congress during its deliberations in reauthorizing the Higher Education Act.	•Operation of student aid programs •Student aid data systems • Efforts to collect student loans and prevent defaults • Better targeting of financial aid • Escalating costs of higher education • Reauthorization of Higher Education Act

(continued)

Table I: Key Issues

Issue	Significance
Workforce skills and jobs: How can the United States better assist workers in acquiring the skills needed to become productively employed and help employers locate qualified job candidates?	A strong, internationally competitive economy depends, in part, on effectively preparing workers to compete in the workforce and efficiently helping employers locate qualified job candidates. The federal government has invested considerable effort and resources towards this end, spending about $20 billion in fiscal year 1995 supporting employment and training programs spread across 15 different agencies. However, rather than a coherent workforce development system, a patchwork of federal programs continues to exist with similar goals, conflicting requirements, overlapping target populations, and questionable outcomes. Legislation has been considered, but not enacted, to simplify and streamline this complex array of programs. In addition, recently passed welfare reform legislation, with its emphasis on work, is likely to affect the nation's job training system.
Worker protection: What changes in work place regulatory strategies would improve the level of worker protection while minimizing employers' compliance burden?	Technological and organizational change, the globalization of the economy, and reduced federal resources are calling into question the strategies many federal agencies use to regulate the work place. Strategies are needed that effectively combine basic worker protections with autonomous employee participation and enhanced employer flexibility. In addition, changes in household and workforce demographics are signaling the growing necessity of a regulatory framework that strikes a healthy balance between work, family, and community activities without compromising national economic competitiveness. Ensuring the rights of workers, while minimizing the regulatory burden on employers, is a subject of considerable congressional interest.

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Table I: Key Issues

Objectives	Focus of work
1.Identify ways to move toward a comprehensive workforce development system. 2.Identify ways to improve the effectiveness of employment training programs for economically disadvantaged youths and adults, veterans, dislocated workers, and the disabled population. 3.Assess the quality and access to local labor market information by program operators, employers, and the unemployed.	•State efforts to consolidate programs •Response of job training programs to welfare reform •Job training services to target populations •State and private sector involvement in job training •Use of local labor market information
1.Describe and evaluate current and alternative work place regulatory activities and broader strategies. 2.Identify the implications for regulation of emerging trends in private sector work place practices and organization. 3.Assess the consequences for work place regulation of recent developments in workforce and family demographics.	•Implementation of alternative regulatory strategies •Changes in applicability of existing regulatory protections to current work place conditions •Issues related to balancing productive work practices with family needs

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Table II: Planned Major Work

Issue	Planned major job starts
Preparatory education	• Assess how well Head Start, child care, and prekindergarten programs collaborate to meet the needs of children under welfare reform. • Review the implementation and effectiveness of Title I programs. • Evaluate the burden of federal education regulations and the success of regulatory flexibility in easing that burden. • Describe the impact of illegal immigrants on school systems. • Assess how much of the federal education dollar gets to the student. • Describe current state and local commitments to fund school construction. • Assess how federal funds flow to charter schools. • Assess selected management issues at the Department of Education.
Higher education	• Determine whether students are receiving financial aid in excess of their cost of education. • Assess the appropriateness of administrative costs for the direct loan program. • Examine opportunities for more cost-efficient operation of guaranty agencies in Federal Family Education Loan Program. • Assess the Department of Education's efforts to integrate the separate student aid data systems. • Evaluate the effectiveness, accuracy, and security of the Department of Education's National Student Loan Data System. • Assess schools' use of the National Student Loan Data System to determine students' eligibility and to improve the accessibility of financial aid data. • Describe Department of Education's efforts to reduce loan defaults at Historically Black Colleges and Universities and other colleges. • Assess the equity of how campus-based funds are awarded to colleges. • Identify ways the needs analysis formula might be adjusted to better target aid. • Assess how student debt burden changes borrowers' behavior after leaving college.
Workforce skills and jobs	•Evaluate the response of state employment training systems to welfare reform. •Assess state efforts to develop one-stop career centers to help streamline employment training assistance. •Assess the quality and use of local labor market information by employers, the unemployed, and state employment training service providers. •Evaluate Job Corps' management information and performance management systems.
Worker protection	•Assess the flexibility of Labor's H-2A Agricultural Guestworker Program to respond to employer demands for additional foreign workers while maintaining protections for domestic farmworkers. •Assess the Occupational Safety and Health Administration's implementation of partnership initiatives as an alternative regulatory strategy. •Evaluate the effectiveness of Labor's efforts to ensure the accuracy and reliability of its Davis-Bacon wage determinations. •Analyze trends in workforce coverage of key federal work place statutes, including the Fair Labor Standards Act and the National Labor Relations Act. •Examine private and public employers' experiences in the substitution of compensatory time for overtime pay.

Table III: GAO Contacts

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